

Courtney Feeley Karp  
Massachusetts Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114

February 9, 2009

Dear Ms. Karp:

I am writing today in regards to the Department's final regulations on the Renewable Energy Portfolio Standard Class I and Class II (225 CMR 14.00 and 225 CMR 15.00). Brookfield appreciates the opportunity to provide supporting and clarifying comments.

Brookfield applauds your decision to use Low Impact Hydropower Institute ("LIHI") certification as a demonstration of meeting environmental standards for qualifying hydropower units. LIHI certification ensures that the hydropower facility is serious about generating low impact, environmentally sound hydropower.

Brookfield does, however, have a concern regarding sections 14.05 (5) and 15.05 (3) "Special provisions for a Generating Unit Located in a Control Area Adjacent to the ISO-NE Control Area" specifically subsection (d). This section's intention is to prevent "green-washing", in other words the practice of simultaneously importing renewable power for the purpose of receiving renewable energy credits while exporting the same power for use outside of the control area, essentially delivering the credits without the associated power.

The language included in sections 14.05 (5) (d) and 15.05 (3) (d) is vague enough that it could include routine market transactions which are linked only in that the power is generated by the same company, not the same generation facility, and where transactions decisions are made wholly independently. Brookfield does not believe that it is Department's intent to interfere with true responses to market price signals, and respectfully requests this be clarified by adding "with the intent of 'green-washing'" to the end of the respective subsections. The full provision - 14.05 (5) and 15.05 (3) - would read as follows:

(d) The Generation Unit Owner or Operator must provide an attestation in a form to be provided by the Department that it will not itself or through any affiliate or other contracted party, engage in the process of importing RPS Class I Renewable Generation into the ISO-NE Control Area for the creation of RPS Class I Renewable GIS Certificates, and then exporting that energy or a similar quantity of other energy out of the ISO-NE Control Area during the same hour *with the intent of "green washing."*

Brookfield is also concerned with sections 14.05 (e) 1 and 2 & 15.05 (e) 1 and 2 as written. We believe it will add unnecessary risk to external RPS resources which will be translated to higher REC prices which must be borne by Massachusetts rate payers. While the existing language will



bring inexpensive capacity into ISO NE the savings is socialized across all of New England. In effect, this capacity savings for all of New England is born by Massachusetts rate payers.

Brookfield requests that these sections be changed as follows:

CMR 14.05 (e) 1 and 15.05 (e) 1

*1. The Generation Unit Owner or Operator of a Generation Unit shall commit to the ISO-NE Control Area the amount of the capacity of that Unit claimed as RPS Class I Renewable Generation by submitting by the applicable deadline a show of intent for the ISO-NE Forward Capacity Auction that is the earliest available for the Unit after the Owner or Operator has submitted a Statement of Qualification Application. The Owner or Operator of such unit must also participate in the Forward Capacity Auction for which it has qualified. The requirements of this paragraph do not apply to Generation Units for which DOER has received an administratively complete Statement of Qualification Application prior to July 2, 2008.*

CMR 14.05 (e) 2

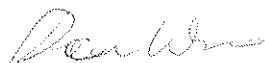
2. The Generation Unit Owner or Operator of a Non-intermittent Generation Unit shall commit to the ISO-NE Control Area the amount of the capacity of that Unit claimed as RPS Class I Renewable Generation by submitting by the applicable deadline a show of intent for the ISO-NE Forward Capacity Auction that is the earliest available for the Unit after the Owner or Operator has submitted a Statement of Qualification Application. The Owner or Operator of such unit must also *participate in* the Forward Capacity Auction for which it has qualified, ~~even if it must participate as a price taker~~. The requirements of this paragraph do not apply to Generation Units for which DOER has received an administratively complete Statement of Qualification Application prior to July 2, 2008.

CMR 15.05 (e) 2

2. The Generation Unit Owner or Operator of a Non-intermittent Generation Unit shall *offer into* the ISO-NE Control Area the amount of the capacity of that Unit claimed as RPS Class II Renewable Generation by submitting by the applicable deadline a show of intent for the ISO-NE Forward Capacity Auction that is the earliest available for the Unit after the Owner or Operator has submitted a Statement of Qualification Application.

Again, Brookfield appreciates the opportunity to comment on these final regulations. If you or the Department have questions regarding this request, please do not hesitate to contact Shannon Ames (508-251-7670) or Bob Ricketts (508-251-7675).

Respectfully,



Daniel Whyte  
Vice President